

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COSTELLO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 264, nays 154, not voting 14, as follows:

[Roll No. 946]

YEAS—264

Abercrombie	Ferguson	Meeks (NY)
Ackerman	Filner	Melancon
Aderholt	Fortenberry	Michaud
Alexander	Frank (MA)	Miller (NC)
Allen	Gerlach	Miller, George
Altmire	Giffords	Mitchell
Andrews	Gilchrest	Mollohan
Arcuri	Gillibrand	Moore (KS)
Baca	Gonzalez	Moore (WI)
Bachus	Gordon	Moran (VA)
Baird	Graves	Murphy (CT)
Baker	Green, Al	Murphy, Patrick
Baldwin	Green, Gene	Murphy, Tim
Barrow	Grijalva	Murtha
Bean	Gutierrez	Myrick
Becerra	Hall (NY)	Nadler
Berkley	Hare	Napolitano
Berman	Harman	Neal (MA)
Berry	Hastings (FL)	Oberstar
Bishop (GA)	Hayes	Obey
Bishop (NY)	Herseth Sandlin	Olver
Blackburn	Higgins	Ortiz
Blumenauer	Hill	Pallone
Boozman	Hinchee	Pascarell
Boren	Hinojosa	Pastor
Boswell	Hirono	Payne
Boucher	Hodes	Peterson (MN)
Boustany	Holden	Peterson (PA)
Boyd (FL)	Holt	Pomeroy
Boyd (KS)	Honda	Price (NC)
Brady (PA)	Hooley	Rahall
Braley (IA)	Hoyer	Rangel
Brown, Corrine	Inslee	Rehberg
Buchanan	Israel	Renzi
Butterfield	Jackson (IL)	Reyes
Capito	Jackson-Lee	Reynolds
Capps	(TX)	Richardson
Capuano	Jefferson	Rodriguez
Cardoza	Johnson (GA)	Rogers (AL)
Carnahan	Johnson (IL)	Ross
Carney	Johnson, E. B.	Rothman
Castor	Jones (NC)	Roybal-Allard
Chandler	Jones (OH)	Ruppersberger
Clarke	Kagen	Rush
Clay	Kanjorski	Ryan (OH)
Cleaver	Kaptur	Salazar
Clyburn	Kennedy	Sanchez, Linda
Coble	Kildee	T.
Cohen	Kilpatrick	Sanchez, Loretta
Conyers	Kind	Sarbanes
Cooper	Klein (FL)	Schakowsky
Costa	Kucinich	Schiff
Costello	Kuhl (NY)	Schwartz
Courtney	Lampson	Scott (GA)
Cramer	Langevin	Scott (VA)
Crowley	Lantos	Serrano
Cuellar	Larsen (WA)	Sestak
Cummings	Larson (CT)	Shea-Porter
Davis (AL)	LaTourette	Sherman
Davis (CA)	Levin	Shimkus
Davis (IL)	Lewis (GA)	Shuler
Davis, Lincoln	Lipinski	Sires
DeFazio	Loeb	Skelton
DeGette	Loftgren, Zoe	Slaughter
DeLauro	Lowey	Smith (NJ)
Dent	Lynch	Smith (TX)
Dicks	Mahoney (FL)	Smith (WA)
Doggett	Maloney (NY)	Snyder
Donnelly	Markey	Solis
Doyle	Marshall	Space
Drake	Matheson	Spratt
Edwards	Matsui	Stark
Ellison	McCarthy (NY)	Stupak
Ellsworth	McCollum (MN)	Sutton
Emanuel	McCrery	Tanner
Emerson	McDermott	Tauscher
Engel	McGovern	Taylor
English (PA)	McHugh	Thompson (CA)
Eshoo	McIntyre	Thompson (MS)
Etheridge	McNerney	Tierney
Farr	McNulty	Towns
Fattah	Meek (FL)	Udall (CO)

Udall (NM)  
Van Hollen  
Velázquez  
Walsh (NY)  
Walz (MN)  
Wasserman  
Schultz

Waters  
Watson  
Watt  
Waxman  
Weiner  
Welch (VT)  
Weller

Wexler  
Wilson (OH)  
Woolsey  
Wu  
Wynn  
Yarmuth  
Young (AK)

NAYS—154

Akin  
Bachmann  
Bartlett (MD)  
Barton (TX)  
Biggert  
Blibray  
Bilirakis  
Bishop (UT)  
Blunt  
Boehner  
Bonner  
Bono  
Brady (TX)  
Broun (GA)  
Brown (SC)  
Brown-Waite,  
Ginny  
Burgess  
Burton (IN)  
Buyer  
Calvert  
Camp (MI)  
Campbell (CA)  
Cannon  
Cantor  
Carter  
Castle  
Chabot  
Cole (OK)  
Conaway  
Crenshaw  
Culberson  
Davis (KY)  
Davis, David  
Davis, Tom  
Deal (GA)  
Diaz-Balart, L.  
Diaz-Balart, M.  
Doolittle  
Dreier  
Duncan  
Fallin  
Flake  
Forbes  
Fossella  
Foxy  
Franks (AZ)  
Frelinghuysen  
Gallegly  
Garrett (NJ)  
Gingrey

NOT VOTING—14

Barrett (SC)  
Carson  
Cubin  
Davis, Jo Ann  
Delahunt  
Dingell  
Feeney  
Jindal  
Lee  
Perlmutter

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1346

Mrs. DRAKE changed her vote from “nay” to “yea.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3222. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3222) “An Act making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes,” requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. INOUE, Mr. BYRD, Mr. LEAHY, Mr. HARKIN, Mr. DORGAN, Mr. DURBIN, Mrs. FEINSTEIN, Ms. MIKULSKI, Mr. KOHL, Mrs. MURRAY, Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. MCCONNELL, Mr. SHELBY, Mr. GREGG, and Mrs. HUTCHISON, to be the conferees on the part of the Senate.

The message also announced that the Senate has agreed to a concurrent resolution of the following title in which the concurrence of the House is requested:

S. Con. Res. 49. Concurrent resolution providing for a conditional adjournment or recess of the Senate.

#### PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE

The SPEAKER pro tempore. The Chair lays before the House a privileged Senate concurrent resolution.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 49

*Resolved by the Senate (the House of Representatives concurring).* That when the Senate recesses or adjourns on Thursday, October 4, 2007, or Friday, October 5, 2007, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until 12 noon on Monday, October 15, 2007, or such other time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate, after consultation with the Minority Leader of the Senate, shall notify the Members of the Senate to reassemble at such place and time as he may designate if, in his opinion, the public interest shall warrant it.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

#### MORTGAGE FORGIVENESS DEBT RELIEF ACT OF 2007

Mr. RANGEL. Mr. Speaker, pursuant to House Resolution 703, I call up the bill (H.R. 3648) to amend the Internal Revenue Code of 1986 to exclude discharges of indebtedness on principal residences from gross income, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3648

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

# SECTION 1. DISCHARGES OF INDEBTEDNESS ON PRINCIPAL RESIDENCE EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Paragraph (1) of section 108(a) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting “, or”, and by inserting after subparagraph (D) the following new subparagraph:

“(E) the indebtedness discharged is qualified principal residence indebtedness.”.

(b) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—Section 108 of such Code is amended by adding at the end the following new subsection:

“(h) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—

“(1) BASIS REDUCTION.—The amount excluded from gross income by reason of subsection (a)(1)(E) shall be applied to reduce (but not below zero) the basis of the principal residence of the taxpayer.

“(2) QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—For purposes of this section, the term ‘qualified principal residence indebtedness’ means acquisition indebtedness (within the meaning of section 163(h)(3)(B), without regard to clause (ii) thereof) with respect to the principal residence of the taxpayer.

“(3) EXCEPTION FOR DISCHARGES ON ACCOUNT OF SERVICES PERFORMED FOR THE LENDER.—Subsection (a)(1)(E) shall not apply to the discharge of a loan if the discharge is on account of services performed for the lender.

“(4) PRINCIPAL RESIDENCE.—For purposes of this subsection, the term ‘principal residence’ has the same meaning as when used in section 121.”.

(c) COORDINATION.—

(1) Subparagraph (A) of section 108(a)(2) of such Code is amended by striking “and (D)” and inserting “, (D), and (E)”.

(2) Paragraph (2) of section 108(a) of such Code is amended by adding at the end the following new subparagraph:

“(C) PRINCIPAL RESIDENCE EXCLUSION TAKES PRECEDENCE OVER INSOLVENCY EXCLUSION UNLESS ELECTED OTHERWISE.—Paragraph (1)(B) shall not apply to a discharge to which paragraph (1)(E) applies unless the taxpayer elects to apply paragraph (1)(B) in lieu of paragraph (1)(E).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges of indebtedness on or after January 1, 2007.

## SEC. 2. LONG-TERM EXTENSION OF DEDUCTION FOR MORTGAGE INSURANCE PREMIUMS.

(a) IN GENERAL.—Subparagraph (E) of section 163(h)(3) of the Internal Revenue Code of 1986 (relating to mortgage insurance premiums treated as interest) is amended by striking clauses (iii) and (iv) and inserting the following new clause:

“(iii) APPLICATION.—Clause (i) shall not apply with respect to any mortgage insurance contract issued before January 1, 2007, or after December 31, 2014.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contracts issued after December 31, 2006.

## SEC. 3. ALTERNATIVE TESTS FOR QUALIFYING AS COOPERATIVE HOUSING CORPORATION.

(a) IN GENERAL.—Subparagraph (D) of section 216(b)(1) of the Internal Revenue Code of 1986 (defining cooperative housing corporation) is amended to read as follows:

“(D) meeting 1 or more of the following requirements for the taxable year in which the taxes and interest described in subsection (a) are paid or incurred:

“(i) 80 percent or more of the corporation’s gross income for such taxable year is derived from tenant-stockholders.

“(ii) At all times during such taxable year, 80 percent or more of the total square footage of the corporation’s property is used or available for use by the tenant-stockholders for residential purposes or purposes ancillary to such residential use.

“(iii) 90 percent or more of the expenditures of the corporation paid or incurred during such taxable year are paid or incurred for the acquisition, construction, management, maintenance, or care of the corporation’s property for the benefit of the tenant-stockholders.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

## SEC. 4. GAIN FROM SALE OF PRINCIPAL RESIDENCE ALLOCATED TO NON-QUALIFIED USE NOT EXCLUDED FROM INCOME.

(a) IN GENERAL.—Subsection (b) of section 121 of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following new paragraph:

“(4) EXCLUSION OF GAIN ALLOCATED TO NON-QUALIFIED USE.—

“(A) IN GENERAL.—Subsection (a) shall not apply to so much of the gain from the sale or exchange of property as is allocated to periods of nonqualified use.

“(B) GAIN ALLOCATED TO PERIODS OF NON-QUALIFIED USE.—For purposes of subparagraph (A), gain shall be allocated to periods of nonqualified use based on the ratio which—

“(i) the aggregate periods of nonqualified use during the period such property was owned by the taxpayer, bears to

“(ii) the period such property was owned by the taxpayer.

“(C) PERIOD OF NONQUALIFIED USE.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘period of nonqualified use’ means any period (other than the portion of any period preceding January 1, 2008) during which the property is not used as the principal residence of the taxpayer or the taxpayer’s spouse or former spouse.

“(ii) EXCEPTIONS.—The term ‘period of nonqualified use’ does not include—

“(I) any portion of the 5-year period described in subsection (a) which is after the last date that such property is used as the principal residence of the taxpayer or the taxpayer’s spouse,

“(II) any period (not to exceed an aggregate period of 10 years) during which the taxpayer or the taxpayer’s spouse is serving on qualified official extended duty (as defined in subsection (d)(9)(C)) described in clause (i), (ii), or (iii) of subsection (d)(9)(A), and

“(III) any other period of temporary absence (not to exceed an aggregate period of 2 years) due to change of employment, health conditions, or such other unforeseen circumstances as may be specified by the Secretary.

“(D) COORDINATION WITH RECOGNITION OF GAIN ATTRIBUTABLE TO DEPRECIATION.—For purposes of this paragraph—

“(i) subparagraph (A) shall be applied after the application of subsection (d)(6), and

“(ii) subparagraph (B) shall be applied without regard to any gain to which subsection (d)(6) applies.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after December 31, 2007.

## SEC. 5. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “114.75 percent” and inserting “116.50 percent”.

The SPEAKER pro tempore. Pursuant to House Resolution 703, the

amendment in the nature of a substitute printed in the bill, modified by the amendment printed in House Report 110-360, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 3648

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

*This Act may be cited as the “Mortgage Forgiveness Debt Relief Act of 2007”.*

### SEC. 2. DISCHARGES OF INDEBTEDNESS ON PRINCIPAL RESIDENCE EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Paragraph (1) of section 108(a) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting “, or”, and by inserting after subparagraph (D) the following new subparagraph:

“(E) the indebtedness discharged is qualified principal residence indebtedness.”.

(b) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—Section 108 of such Code is amended by adding at the end the following new subsection:

“(h) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—

“(1) BASIS REDUCTION.—The amount excluded from gross income by reason of subsection (a)(1)(E) shall be applied to reduce (but not below zero) the basis of the principal residence of the taxpayer.

“(2) QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—For purposes of this section, the term ‘qualified principal residence indebtedness’ means acquisition indebtedness (within the meaning of section 163(h)(3)(B), “applied by substituting \$2,000,000 (\$1,000,000) for ‘\$1,000,000 (\$500,000) in clause (ii) thereof” with respect to the principal residence of the taxpayer.

“(3) EXCEPTION FOR CERTAIN DISCHARGES NOT RELATED TO TAXPAYER’S FINANCIAL CONDITION.—Subsection (a)(1)(E) shall not apply to the discharge of a loan if the discharge is on account of services performed for the lender or any other factor not directly related to a decline in the value of the residence or to the financial condition of the taxpayer.

“(4) ORDERING RULE.—If any loan is discharged, in whole or in part, and only a portion of such loan is qualified principal residence indebtedness, subsection (a)(1)(E) shall apply only to so much of the amount discharged as exceeds the amount of the loan (as determined immediately before such discharge) which is not qualified principal residence indebtedness.

“(5) PRINCIPAL RESIDENCE.—For purposes of this subsection, the term ‘principal residence’ has the same meaning as when used in section 121.”.

(c) COORDINATION.—

(1) Subparagraph (A) of section 108(a)(2) of such Code is amended by striking “and (D)” and inserting “(D), and (E)”.

(2) Paragraph (2) of section 108(a) of such Code is amended by adding at the end the following new subparagraph:

“(C) PRINCIPAL RESIDENCE EXCLUSION TAKES PRECEDENCE OVER INSOLVENCY EXCLUSION UNLESS ELECTED OTHERWISE.—Paragraph (1)(B) shall not apply to a discharge to which paragraph (1)(E) applies unless the taxpayer elects to apply paragraph (1)(B) in lieu of paragraph (1)(E).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges of indebtedness on or after January 1, 2007.

### SEC. 3. LONG-TERM EXTENSION OF DEDUCTION FOR MORTGAGE INSURANCE PREMIUMS.

(a) IN GENERAL.—Subparagraph (E) of section 163(h)(3) of the Internal Revenue Code of 1986

(relating to mortgage insurance premiums treated as interest) is amended by striking clauses (iii) and (iv) and inserting the following new clause:

“(iii) APPLICATION.—Clause (i) shall not apply with respect to any mortgage insurance contract issued before January 1, 2007, or after December 31, 2014.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contracts issued after December 31, 2006.

#### SEC. 4. ALTERNATIVE TESTS FOR QUALIFYING AS COOPERATIVE HOUSING CORPORATION.

(a) IN GENERAL.—Subparagraph (D) of section 216(b)(1) of the Internal Revenue Code of 1986 (defining cooperative housing corporation) is amended to read as follows:

“(D) meeting 1 or more of the following requirements for the taxable year in which the taxes and interest described in subsection (a) are paid or incurred:

“(i) 80 percent or more of the corporation’s gross income for such taxable year is derived from tenant-stockholders.

“(ii) At all times during such taxable year, 80 percent or more of the total square footage of the corporation’s property is used or available for use by the tenant-stockholders for residential purposes or purposes ancillary to such residential use.

“(iii) 90 percent or more of the expenditures of the corporation paid or incurred during such taxable year are paid or incurred for the acquisition, construction, management, maintenance, or care of the corporation’s property for the benefit of the tenant-stockholders.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

#### SEC. 5. GAIN FROM SALE OF PRINCIPAL RESIDENCE ALLOCATED TO NONQUALIFIED USE NOT EXCLUDED FROM INCOME.

(a) IN GENERAL.—Subsection (b) of section 121 of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following new paragraph:

“(4) EXCLUSION OF GAIN ALLOCATED TO NONQUALIFIED USE.—

“(A) IN GENERAL.—Subsection (a) shall not apply to so much of the gain from the sale or exchange of property as is allocated to periods of nonqualified use.

“(B) GAIN ALLOCATED TO PERIODS OF NONQUALIFIED USE.—For purposes of subparagraph (A), gain shall be allocated to periods of nonqualified use based on the ratio which—

“(i) the aggregate periods of nonqualified use during the period such property was owned by the taxpayer, bears to

“(ii) the period such property was owned by the taxpayer.

“(C) PERIOD OF NONQUALIFIED USE.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘period of nonqualified use’ means any period (other than the portion of any period preceding January 1, 2008) during which the property is not used as the principal residence of the taxpayer or the taxpayer’s spouse or former spouse.

“(ii) EXCEPTIONS.—The term ‘period of nonqualified use’ does not include—

“(I) any portion of the 5-year period described in subsection (a) which is after the last date that such property is used as the principal residence of the taxpayer or the taxpayer’s spouse,

“(II) any period (not to exceed an aggregate period of 10 years) during which the taxpayer or the taxpayer’s spouse is serving on qualified official extended duty (as defined in subsection (d)(9)(C)) described in clause (i), (ii), or (iii) of subsection (d)(9)(A), and

“(III) any other period of temporary absence (not to exceed an aggregate period of 2 years) due to change of employment, health conditions, or such other unforeseen circumstances as may be specified by the Secretary.

“(D) COORDINATION WITH RECOGNITION OF GAIN ATTRIBUTABLE TO DEPRECIATION.—For purposes of this paragraph—

“(i) subparagraph (A) shall be applied after the application of subsection (d)(6), and

“(ii) subparagraph (B) shall be applied without regard to any gain to which subsection (d)(6) applies.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after December 31, 2007.

#### SEC. 6. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking the percentage contained therein and inserting “116.75 percent”.

The SPEAKER pro tempore. The gentleman from New York (Mr. RANGEL) and the gentleman from Louisiana (Mr. MCCRERY) each will control 30 minutes.

The Chair recognizes the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first I want to thank the minority ranking member on the Ways and Means Committee and our staffs for working to bring some relief to those people that are feeling the problems of the subprime mortgage crisis.

I want to make a special thanks to Congressman ROB ANDREWS, whose creativity in working with the committee, along with ZACH SPACE, gave us the direction to remove some of the inequities that may relieve some of the pain that people are feeling.

It’s a commonsense piece of legislation that when the banks and those that hold the mortgage decide to give forgiveness on some parts of that loan, that these parts of the loan not be considered as income and does not create a taxable event. So we do that. We passed it out by voice vote because it just made a lot of sense.

In addition to that, we make it easier for people to extend their mortgage insurance, as well as those people who own condos, to be able to get relief from debts that they may have by getting long-term extension of private mortgage insurance on all of them.

Finally, the bill makes it easier for taxpayers to form housing cooperation co-ops.

We give a general relief and at the same time make it more difficult for people to move into their rentals or vacation homes and enjoy the same tax relief as they move from their original homes. In other words, they can only get the tax relief for that part of the time they actually lived in the rental or the vacation home, rather than having the luxury of moving from one vacation home to the other and enjoying the tax benefits.

Mr. Speaker, I yield the balance of my time to one of the hardest-working members of the committee that spent a lot of time on this subject matter, Mr. BLUMENAUER, and allow him to delegate the time as requested by other Members of the House.

The SPEAKER pro tempore. Without objection, the gentleman from Oregon will control the remainder of the time.

There was no objection.

Mr. MCCRERY. Mr. Speaker, I rise in support of this legislation, though not without some reservations. I share the concern of my chairman and my colleagues about the subprime mortgage crisis.

While we are all ultimately responsible for the contracts we sign, there were clearly failures in the market that led people to buy homes larger or more expensive than they could really afford, or to accept mortgage terms that might quickly become unsustainable.

The result has been a growing number of foreclosures, which, in turn, puts downward pressure on other home prices. Moreover, when a bank forgives some or all of the mortgage, that cancelled debt is treated as income and is subject to tax. Too many people are learning the hard way about this “kick-‘em-when-they’re-down” feature of the tax code.

In August, President Bush recognized the seriousness of this crisis and proposed a temporary provision exempting from tax the income that individuals receive when a bank reduces or eliminates the mortgage on a primary residence.

I think that his proposal, a temporary solution to a temporary crisis, is appropriate, and asked the Rules Committee to make in order a substitute which did just that. As my colleagues know, however, we were not given that opportunity, and so we are not debating such a proposal.

Nevertheless, there are good policy arguments for making this provision permanent, just as there are for making it temporary. But the important thing is that we do something to help. I am glad the chairman of the Ways and Means Committee decided to move a bill dealing with this crisis.

The bill does, however, contain revenue offsets that I do find troubling. Generally, I continue to oppose PAYGO rules that require us to raise taxes in one place in order to provide tax relief in another. Nonetheless, those are the rules that this House has adopted, so I understand the majority’s need to include an offset in the bill.

The offset being used today will deny part of the capital gains exemption to families who sell a second home which was not always their primary residence. During committee markup, I expressed concerns that the proposal could undercut housing prices in areas of the country where second-home purchases form a large share of the housing market. I understand the chairman’s desire to identify an offset within the housing market, and that certainly constrained our choices.

I also appreciate the chairman’s efforts to include transition relief to limit the effect of this provision on families who may already own more than one home. As has been noted already and will surely be noted again, the bill, including this offset, has been endorsed by several leading real estate

groups, and that calms, although it doesn't eliminate, my concerns about the impact the offset may have.

Thus, while I do support the positive tax relief in this bill for those with cancellation of indebtedness income, I would prefer to do so without this objectionable offset. It is my hope that as this legislation moves forward, as I believe it should today, we will have an opportunity to reconsider the revenue raises attached to it.

Mr. Speaker, I reserve the balance of my time and request unanimous consent that the gentleman from Kentucky (Mr. LEWIS), who coauthored the original legislation similar to the bill before us today with Mr. ANDREWS, be allowed to allocate the remainder of the time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BLUMENAUER. Mr. Speaker, I recognize myself for 2½ minutes.

It is not often I find myself disagreeing with my esteemed friend, the ranking member of the Ways and Means Committee, but I would like to briefly address his concerns.

As our esteemed chairman, Mr. RANGEL, pointed out, this is a serious program that all agree needs a serious solution to avoid having people who lose their homes end up having their loss become a taxable event. Our legislation solves this.

Where I take modest exception to the ranking member and, in fact, had a rather spirited debate before the Rules Committee with Ranking Member DREIER that this is somehow a temporary problem and just requires a temporary solution, we are in a situation now where the majority would argue that there is never a good time to have people who lose their homes have that loss be a taxable event. Second, unlike the Bush administration thinks this is going to be solved in the next year or two, the fact is, in 2006, 20 percent of the first-lien mortgages were in the subprime market.

We are going to see exploding adjustable rate mortgages for years. Those people shouldn't have uncertainty if there are people who assume control who think that their loss should be a taxable event.

As it speaks to the pay-for, the Democrats have made a commitment that we are going to pay for our actions. We are not going to add to the deficit. This is an entirely appropriate pay-for. There was never an intent with the \$500,000 per couple exclusion from capital gains on the sale of their homes to string these together.

I came to Congress committed to enacting that relief to protect them. But under the provisions that, as it has worked out, some extraordinarily wealthy people can string these together and have a \$500,000 tax-free gain three times in 6 years.

Our amendment, our pay-for, gives everybody the protection for their

principal home and allows them to get the capital gains exclusion to the extent that a second home is their principal home. It's reasonable, it's balanced, it's paid for. I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Kentucky. Mr. Speaker, I yield myself such time as I may consume.

I rise today in strong support for the Mortgage Forgiveness Debt Relief Act of 2007. I have heard concerns from many homeowners in my district about the serious situation in the mortgage market. A recent University of Michigan study of homeowners indicated that at least 26 percent of those surveyed had experienced a loss of equity in their home during the past year. These declining prices have led some families to sell their homes for less than they paid for them.

On August 31, President Bush spoke from the Rose Garden and called on Congress to address a crisis in the mortgage market. Included in the President's priorities was a bill that Congressman ROB ANDREWS and I introduced in April to relieve tax obligations on those who sell homes that have lost equity and have been forgiven a portion of outstanding mortgage debt.

Our measure was later incorporated into the larger bipartisan committee bill that we are debating today, just a little over a month since the President's remarks. This legislation, although not perfect, is a piece of legislation that I asked my colleagues to take a close look at and the intent of the bill before casting your vote.

You will see that this legislation delivers real help to our constituents. Under current law, only two categories of individuals pay taxes when selling the principal residence: those who have been able to realize a capital gain of more than \$250,000 or \$500,000 on a joint return and those who lose the equity in their home and are forced to pay tax if the lender forgives some portion of the mortgage debt.

It is unfair to tax people on phantom income, particularly when they have suffered serious economic loss and had less ability to pay the tax. The Mortgage Forgiveness Debt Relief Act would relieve this tax burden.

□ 1400

The Andrews-Lewis provision states that no tax will be collected when a lender forgives part of the mortgage on the sale or disposition of a principal residence. This proposal has earned the support of the National Association of Home Builders, the National Association of Realtors, and the United States Department of the Treasury.

Addressing this Tax Code inequity and other long-term issues in the housing market cuts to the core of our national economic stability as we seek to calm financial markets, aid local communities, and support one of our most basic American aspirations, and that's homeownership.

I would like to thank my colleague, Congressman ANDREWS, for his commitment to this issue. I also appreciate the time and effort of my chairman, Congressman RANGEL, Ranking Member MCCRERY, and their staffs for moving this important measure to the House floor.

The bill before us is a good first step toward addressing the mortgage situation. But more important, this bill is an example of what happens when both parties work together to produce good policy that will benefit millions of Americans.

Mr. Speaker, I reserve the balance of my time.

Mr. BLUMENAUER. Mr. Speaker, I yield 2 minutes to the distinguished Chair of the Trade Subcommittee, and a senior member of the Ways and Means Committee, Mr. LEVIN.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, I rise in strong support of this legislation. On the Democratic side, we've been emphasizing the importance of fairness in the code, of equity in the code, the ability to go home, meet our constituents, look them squarely in the eye and say that we're taking steps to make the Tax Code more equitable. And this legislation is a step in that direction, and an important one so a loss isn't taxable when it should not be. So this is one step, an important step, towards meeting the subprime mortgage crisis.

My home State of Michigan has very much suffered from this phenomenon, and I'm glad that we're taking this step today.

As mentioned, also included in this legislation is a 7-year extension of the deduction for mortgage insurance premiums. This is also necessary. What it does is to level the playing field among the products of mortgages; and this will be helpful, especially helpful now, in view of the crisis with these mortgages.

Let me just say a word about the payment. There's been some comment about the pay-for, and I mean to say this charitably. I think this pay-for is better than, much better than no pay-for. And we've been having too much, in recent years, legislation that proceeded without any pay-for at all. And this is an effort to be fiscally responsible, and I think it does so in an effective and an equitable way.

I urge support for this legislation.

Mr. LEWIS of Kentucky. Mr. Speaker, I yield 2 minutes to my friend from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, I thank the gentleman for the opportunity to speak on a bill that he has spent an extraordinary amount of time on and is most timely.

The bill before us today is really a question of bringing fairness to the Tax Code. At its heart it puts those taxpayers that have been placed in the tough situation of declining property values and perhaps even foreclosure in

a better position to be able to stay in their homes.

Under current law, a homeowner must pay taxes at ordinary income rates on the fictitious income never realized by the homeowner when a lender forgives part of the debt owed on a mortgage. It is simply unfair that when lenders do the right thing and try to work to keep working families in their homes during tough times, that the taxman then comes and presents that family with a bill on money that they never saw.

The kicker, Mr. Speaker, is that were the homeowner to realize a gain on selling their home, the situation is a very different matter. In that instance, the seller of the home would be only required to pay tax, and at the capital gains rate versus the income tax rate on the amount above an exclusion. Yet, for the homeowner facing a short sale or participating in a debt forgiveness proposal in order to keep them in their home, no such help is extended through the Tax Code.

This bill provides a major step toward helping taxpayers, our constituents, facing this difficult situation. And, Mr. Speaker, it does it while maintaining tight controls to ensure that this change will not be abused by those looking to game the system.

In short, given the situation facing so many of our constituents in this uncertain housing and credit market, this is a needed change for working families and for our economy as a whole.

In States such as Pennsylvania, where delinquency rates are climbing by the quarter, this will serve to keep people in their homes. Homeownership is a major part of the equation when it comes to building savings and ownership in our society, and we shouldn't permit our Tax Code to unnecessarily stand in the way of enabling working families to participate in the ownership society.

I urge my colleagues to make this bill law as soon as possible.

Mr. BLUMENAUER. Mr. Speaker, I yield 2 minutes to the distinguished Chair of the Select Revenue Measures Committee and a champion of tax fairness, Mr. NEAL from Massachusetts.

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I thank Mr. BLUMENAUER for yielding the time. And I want to acknowledge Chairman RANGEL and JIM MCCRERY today for the manner in which they moved this legislation and how swiftly they addressed the issue that is looming across markets here in America and has had, in fact, an international impact.

In my home State of Massachusetts, foreclosures have risen by 66 percent over the last year. Recent studies have estimated that one in five subprime mortgages from the past 2 years will result in foreclosure. That means more than 1 million homeowners will lose their opportunity to hold on to the

American Dream. But even more distressing will be the tax bill if the lender is kind enough to forgive part of this debt.

We want to do all that we can to keep them in their home and to work out some arrangement to help them keep paying, even if that means forgiving a part of the tax debt. But with the tax bill looming, many might even argue that that could be counterproductive. So that's why I'm enthusiastic about supporting the legislation that's on the floor today.

This bipartisan bill, and I emphasize, the most bipartisan bill in the last 7 years on the Ways and Means committee, this bipartisan bill would change the current tax law and provide that homeowners would not be taxed on the portion of forgiven debt if due to financial hardship or decline, and I emphasize decline, in the value of the home.

It simply makes good sense to do this. The bill has been endorsed by the Realtors Association, the homebuilders, the mortgage bankers, and most importantly, members of the American family.

This is a commonsense proposal. I hope we're all going to support it.

Mr. LEWIS of Kentucky. Mr. Speaker, I yield 2 minutes to Mr. SAM JOHNSON from Texas.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, the current problems with mortgage and real estate markets are considerable, but they're not permanent. For the individuals and families who have gotten into trouble with inappropriate mortgages, I'm glad to see that their lenders are restructuring and writing down loans so people can move on with their lives. Taxation of phantom income is something I've fought for a long time. I have confidence in the American economy and in the fact that real estate markets will rebound. It's not a permanent problem.

However, this bill puts permanent relief in place and sets up a system where there is permanent assumption of sliding home prices. Instead of a permanent problem, I believe it's a short-term problem worthy of being given emergency budget designation. This would allow this phantom income to remain untaxed, and to make it unnecessary for permanent tax increases to be imposed on other Americans.

The tax increase the majority has chosen as an offset is a permanent luxury tax on one in 20 American families who own a second home. The Ways and Means Committee has a track record on luxury taxes, and it's not good. When the Democrats were last in the majority, they imposed a luxury tax on yachts and claimed that only the rich would pay the tax. The luxury tax on yachts really ended up being a tax on boats. It was a disaster tax on the American boat building industry and

on marinas all over America. The luxury tax killed the yacht business, devastated an industry and was finally repealed with sincere regret.

I fear this luxury tax on second homes will have the same effect as the luxury tax on yachts. Yet our friends, the Realtors, the bankers and the homebuilders all support the bill before us today because of the need for relief and mortgage debt forgiveness.

It's clearly not a perfect bill. It should come back from conference with the Senate with only a temporary provision, then the luxury tax on second homes ought to no longer be necessary because it should be given the emergency budget designation it deserves.

Mr. BLUMENAUER. Mr. Speaker, I yield myself 15 seconds to clarify that there's no luxury tax on second or third homes. It preserves the tax exemption for the \$500,000 capital gain on a residence, and it permits people to claim an additional benefit to the extent to which it is their primary residence in the future.

I would at this point, Mr. Speaker, recognize a distinguished member of the Ways and Means Committee, Mrs. TUBBS JONES from Ohio, whose experience helped shape this legislation, for 2 minutes.

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Speaker, I want to commend my colleagues, both on the Democratic and Republican side, for introducing this legislation.

I rise today in support of H.R. 3648, the Mortgage Forgiveness Debt Act of 2007.

It comes as no surprise to most Americans that when debt is forgiven by lending institutions in a foreclosure, this amount must be included as income in their tax statement. In a time of rising foreclosures, I cannot imagine anything more upsetting to a family than this scenario. The situation usually occurs when the family cannot pay their mortgage and then must give up their home. Then they must pay tax on phantom income when the lender forgives some part of the homeowner's mortgage.

More than 8 years ago, I introduced a piece of legislation called the Predatory Lending Reduction Act of 2001, I believe it was. And in that legislation, I suggested that we needed to monitor or regulate mortgage brokers.

The reason I raised the issue is because most of the subprime lending that occurs in America comes through brokers who are brokering subprime lending mortgages.

The reason I'm so concerned about the statement of my colleague before about this taxation should not be permanent, the reality is, for many families who lose their homes as a result of the situation we're in, it's permanent. It's permanent loss of assets that would pass from one generation to the next. And they can never recover from it. It's permanent loss for communities

where the tax duplicate is reduced because they don't have that money upon which they can build a rating so that that community could then borrow money on a bond. It's a permanent loss for public school systems that no longer receive the tax that you allow them to be able to support that public school system. So this legislation is very, very important.

And whatever happens in the housing market, and hopefully we're going to get a hold on these subprime lenders who have devastated permanently our communities across the United States of America, we're going to get a hold on that. But in the interim, let's give the people who are in this position a break.

Mr. LEWIS of Kentucky. Mr. Speaker, I yield 3 minutes to Mr. BRADY from Texas.

Mr. BRADY of Texas. Mr. Speaker, if you lose your job and lose your home or are forced to sell at a loss, only in America do you get a bill, a tax bill from Uncle Sam for forgiven debt. Having witnessed this during the terrible Texas recession of the 1980s, it is nothing less than shooting the financially wounded. There's no question this is long past time to correct this unfairness.

I applaud the authors of this bill, Representatives LEWIS and ANDREWS, and all of those who have helped bring this to the floor today. There is serious question, however, about the way we pay for it.

Raising taxes on the sales of second homes unfairly taxes families who live in one city, but are forced to work in another, and couples who have scrimped their whole lives to enjoy a retirement home they dreamed of.

□ 1415

It is a poor way to fund this bill.

This \$2 billion tax hike unfairly punishes those who make their house payments to help those who can't or who find themselves in a bad situation. It's a false choice, completely unrelated to each other. And yet those who profited millions of dollars from the sale of predatory and risky loans walk away unscathed. What type of accountability is that?

Because this pay-for has had no real study, no in-depth analysis by Congress, I and others worry there may well be unintended consequences that damage the value of second homes and, in the long run, not today but in the long run, harm lake communities, vacation communities, and retirement communities around the Nation whose economies are dependent upon these types of homes.

There are better ways to offset the tax cost of this bill, including raising more than \$1 billion simply by allowing government workers in 457 plans to have the option of a Roth-style IRA, an option available to millions of workers in the private sector.

I am hopeful that before this bill goes to the President's desk that a change is

made, whether that recommendation or another. This is an important measure to help those who are losing their homes or are in a bad situation. There is surely a fairer, more thoughtful way to pay for it.

Mr. BLUMENAUER. Mr. Speaker, I yield 2 minutes to the distinguished Ways and Means Committee member, Mr. PASCRELL from New Jersey, a former mayor who has firsthand experience about the significance of this legislation.

Mr. PASCRELL. I thank the gentleman for yielding. I want to thank Mr. RANGEL and Mr. MCCREERY for the great work they have done and the great work of ROB ANDREWS from New Jersey, the exhaustive efforts in this regard, to help people avoid foreclosure, to stay in their homes.

There is a little doubt that the current tax effect on the struggling homeowners is not fair or prudent. Requiring any discharge of indebtedness to be included in taxable income further exacerbates and endangers the financial health of those already in distress.

Think about it: A bank forgives some amount of indebtedness for a homeowner in trouble, either to avoid foreclosure or to forgive a debt to a homeowner in the foreclosure process. Right now the amount of forgiven indebtedness is treated by the IRS as income, which is then taxable. That's pretty incredible, I think.

For families across America, this dubious income and the resulting tax burden can cause an even greater level of anguish that they should not have to absorb in the time of need.

This legislation would provide a permanent exclusion of gross income of discharged homeowner indebtedness. It is the wise and decent thing to do.

And I might add there is danger ahead. Right now between January and September of this year \$263 billion of debt that was opened up, people were losing their homes, and in 18 months that is going to go to \$700 billion of loans in the pipeline that are going to open up to higher rates. This is what we have to look forward to. This is a serious, serious problem that's not going to go away next week.

So I thank both the chairman and the ranking member. With the abundance of acute problems in the mortgage finance system, this legislation can help stabilize families, their neighborhoods and communities, as well as our national economy.

Mr. LEWIS of Kentucky. Mr. Speaker, I reserve the balance of my time.

Mr. BLUMENAUER. Mr. Speaker, I yield 2¼ minutes to the distinguished Ways and Means member from Nevada (Ms. BERKLEY), who has represented an area that is facing this problem and has been so generous in sharing with us the consequences.

Ms. BERKLEY. Mr. Speaker, I thank Mr. BLUMENAUER for his leadership on this issue.

I rise today in support of the Mortgage Forgiveness Debt Relief Act. This

legislation represents an important step in helping homeowners caught in our Nation's housing crisis. The people I represent have been hardest hit by this crisis. It pains me to say that the State of Nevada currently has the highest rate of foreclosure in the Nation. In Nevada there is one foreclosure for every 163 households. That is three times the national average.

Unfortunately, many of those who lose their homes to foreclosure are hit with the added insult of a surprise tax bill. This occurs when a home has decreased in value and the amount owed is more than the current value of the home. The difference between the amount owed and the actual value of the home is considered forgiven debt and, therefore, taxed at regular income. With interest rates on hundreds of thousands of mortgages about to reset and home values in decline in many areas, this foreclosure tax is likely to be a growing problem.

This bill will help protect homeowners from this tax by providing a permanent exclusion of the discharged debt as long as the mortgage was on the primary residence.

And for those who fear that this legislation will bail out wealthy land speculators who have made bad investments, let me assure you that the relief provided in this bill is targeted towards those losing the very roofs over their heads, their family's home, and not to real estate speculators who made bad bets.

Additionally, this bill will extend the tax deduction on private mortgage insurance to provide an additional measure of tax relief to homeowners. Lowering the cost of mortgage insurance by keeping this tax deductible will help ensure that more borrowers are choosing mortgages they can actually afford. For some of my constituents this tax savings will mean the difference between being able to stay in their homes or becoming one of thousands facing foreclosure and loss of their family home.

For those on the other side of the aisle who are criticizing the pay-for in this bill, not one, not one of them has come up with a sensible and honest alternative or solution to the pay-for that is included here.

I think this is a good piece of legislation. I urge support for this legislation.

Mr. LEWIS of Kentucky. Mr. Speaker, I reserve the balance of my time.

Mr. BLUMENAUER. Mr. Speaker, it is my honor to yield 2 minutes to the distinguished gentleman from New Jersey (Mr. ANDREWS), who has been acknowledged as one of the prime drivers in shaping this legislation.

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank my good friend for yielding, and I would like to thank Chairman RANGEL and his staff especially for their great work in bringing this to the floor. Thank you very much. And to Mr.



MCCRERY and to my friend Mr. LEWIS for showing that when people from two parties come together in support of a good idea, it can happen.

This is what this bill is about: A person buys a house for \$150,000 and has a \$140,000 mortgage. And then bad times hit the neighborhood and the person can only sell the house for \$130,000, but they still owe \$140,000 on the mortgage. So they go to closing and they sell the house, but even after all the proceeds of the sale are paid, they still owe money on the mortgage. Now, someone is only going to do this because they have lost their job or had a health crisis or some other family crisis. By definition, this is an American family in some trouble.

If their lender says that they are going to write off that \$10,000 that still is owed on the mortgage, if the lender says we are not going to bother to chase this person, usually because there is nothing to recover from, under present law the IRS would treat that family as having \$10,000 worth of income. Now, they have no money in their checking account to pay it. They have no means to go earn the money. They owe a tax on money they never saw.

This is unfair, and it exacerbates the problem we see in the mortgage market right now. So Republicans and Democrats came together. We are thankful for the leadership of Chairman RANGEL, and we have before us now a bill that will address in a fair and targeted way this problem.

I would also add I do appreciate the pay-for. I think we should pay for what we do here. And what this bill does is close a loophole. It basically says that everybody can get the \$500,000 exclusion for the house they actually live in, but you can't take that for a property you don't live in. That seems pretty fair to me.

So, again, I thank people on both sides of the aisle for their support. I would urge a "yes" vote.

Mr. LEWIS of Kentucky. Mr. Speaker, I yield myself 15 seconds.

I want to thank Mr. ANDREWS for this bill, and I certainly have appreciated working with him on this.

And this is a good time. This is good for the American people to see that we can come together when a problem, a serious problem, is affecting them and we can come up with a solution. Instead of pointing fingers and talking about a problem, we have actually come up with a solution. So thank you for your work.

Mr. BLUMENAUER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Rhode Island (Mr. LANGEVIN).

(Mr. LANGEVIN asked and was given permission to revise and extend his remarks.)

Mr. LANGEVIN. Mr. Speaker, I rise in strong support of the Mortgage Forgiveness Debt Relief Act. I commend the sponsors. I believe that this is a necessary and compassionate step in

helping families recover from problems caused by the continuing mortgage crisis.

Let's face it. Unscrupulous lending practices have taken their toll as hard-working families struggle to keep pace with ballooning mortgage payments.

Under current law any debt forgiven by a lender is treated as phantom income and subject to taxation. At a time when so many families are already in crisis, it is fundamentally unfair to penalize them by taxing money they may recover through refinancing their mortgage or foreclosure of their homes.

The Mortgage Forgiveness Debt Relief Act will change the Tax Code to prevent forgiven mortgage debts from being assessed as gross income. This critical measure will help address the persistent problems in the housing market that have resulted from unfair lending practices. And I urge my colleagues to join me in supporting it.

Mr. LEWIS of Kentucky. Mr. Speaker, I reserve the balance of my time.

Mr. BLUMENAUER. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. SPACE).

Mr. SPACE. I thank the gentleman from Oregon.

Home foreclosures are, unfortunately, something that Ohioans face far too frequently. Ohio ranks near the top in the Nation in foreclosures. In this year alone, approximately 61,000 families will have their homes foreclosed upon. These are families who have fallen victim to unscrupulous subprime lending brokers, who have fallen victim to failing health, and who have fallen victim to a changing economy, one where we have seen our manufacturing base eroded, our cost of the living through gas and utilities increasing, and stagnant wages. The phantom tax on forgiven debt adds injury to insult, especially to working families who have undergone the trauma of a foreclosure.

I am very grateful for Chairman RANGEL's leadership on this issue and thankful that our leadership as the Democratic Party has taken up this cause as well. And, furthermore, I am gratified at the bipartisan support that this body has demonstrated in its commitment to tax relief for middle-class and working families.

Mr. LEWIS of Kentucky. Mr. Speaker, I reserve the balance of my time.

Mr. BLUMENAUER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Indiana (Mr. DONNELLY).

Mr. DONNELLY. Mr. Speaker, I am proud, with my colleagues on both the Republican and Democratic sides, to support H.R. 3648, the Mortgage Forgiveness Debt Relief Act. This provides much-needed tax relief to American families facing foreclosure. As mortgage rates reset to levels that families are unable to afford, this crisis continues to grow.

In my home State of Indiana, one in every 219 Hoosier families now face

foreclosure. We rank well above the national rate, with 3 percent of our loans in foreclosure. Subprime loans which have affected many of our Nation's families account for nearly half of our State's foreclosures.

This legislation permanently exempts individuals from being taxed on forgiven debt in the event of foreclosure. By passing this legislation, we are taking an important step in preventing homeowners already faced with the devastation of losing their home from also incurring an additional tax burden that they are unable to repay. We should not be imposing additional hardships on families by imposing an unfair tax bill on them at the worst possible moment.

Mr. Speaker, I appreciate the bipartisan nature of this legislation.

Mr. BLUMENAUER. Mr. Speaker, I yield 1 minute to the gentlewoman from Arizona (Ms. GIFFORDS).

□ 1430

Ms. GIFFORDS. Mr. Speaker, I rise today in support of the Mortgage Forgiveness Debt Relief Act, an important piece of legislation.

A few years ago, Arizona had been a national leader in home prices. With the growing subprime mortgage crisis, Arizona is now experiencing increasing record foreclosures. In May, new foreclosures in my State were 141 percent higher than they were just 2 years ago.

Some mortgage lenders are working responsibly with homeowners to adjust their mortgages to fairly reflect the decreased home values. They are adjusting their lending policies in response to the current housing market. Congress has to do the same. We should not penalize homeowners by taxing them their discharge debt.

This bill encourages market-based decision; it creates fundamental tax fairness. This bill responsibly helps Arizona families avoid foreclosures and to remain in their homes. Fewer foreclosures will help stabilize property values and protect our local and our regional economies.

I proudly cosponsored this bipartisan legislation that is endorsed by the National Association of Realtors, the National Association of Home Builders, and the Mortgage Bankers Association.

Mr. BLUMENAUER. Mr. Speaker, I would recognize the gentleman from California (Mr. MCNERNEY) for 1 minute.

Mr. MCNERNEY. Mr. Speaker, in my district, the city of Stockton, California and surrounding San Joaquin County are the very epicenter of the growing national home mortgage crisis. San Joaquin County has the second highest level of foreclosures in the country. Nearly one out of 50 homes is being repossessed. Stockton has the highest foreclosure rate of any United States city, and this is tearing our communities apart. To add insult to injury, former homeowners who lost money when their houses were sold, have to pay taxes on their losses. And

those able to negotiate for a reduction in the amount they owe are forced to pay taxes on this amount.

This doesn't make sense. Thankfully, the legislation we're voting on today will eliminate this phantom tax and provide some breathing room for people in financial crisis.

I strongly support this bill.

Mr. LEWIS of Kentucky. Mr. Speaker, I just want to say that this isn't a perfect bill, I don't guess there has ever been a perfect bill on this floor, but it's a good bill and it does provide a solution to a real problem for Americans. I am very happy that we have a good bipartisan bill that I encourage all of my colleagues to vote for and help out in this very tough time for a lot of homeowners in this country.

Mr. Speaker, I yield back the balance of my time.

Mr. BLUMENAUER. Mr. Speaker, I yield myself such time as I may consume.

I would like to commend my colleague for the work that he has done on this measure, Mr. MCCREY, and our leadership because at core there is bipartisan understanding and support for the elimination of what has been referred to as a phantom and unfair tax on the poor souls who lose their homes and who receive no net increase to them.

Where we have modest disagreement is in two specific areas: one, the bill that is before us recognizes that there is never a good time to tax American homeowners on this phantom benefit of having their loan forgiven on a foreclosed property. There no circumstances under which we could conceive that we wanted to penalize them for something that they didn't receive, so we made it permanent. Unlike the minority, unlike the Bush administration, we don't think there is ever a good reason to tax them on something that they don't receive.

Second, we're paying for the cost that is associated with it because, sadly, even a tax provision that makes no sense carries value, and under our rules, we need to pay for it. And what we did was not to implement any additional tax, but to clarify the benefit that is given to owners of principal residences that they have a \$500,000 tax-free gain if they occupy that as their principal residence for 2 out of 5 years. That's something that we broadly agree upon.

Now, we've always agreed that that ought to occur to the homeowner. Now we're hearing that somehow our friends on the other side of the aisle think that an additional tax benefit, so that people could string this together over the course of 6 years and get \$500,000 three times as a tax benefit, is somehow, some way a tax increase. It is not. The purpose of that tax provision was never to reward people who could game the system and string together tax increases two or three times over a relatively short period of time.

So we have clarified it: as long as it is their principal home, their principal

residence, they can claim the exclusion. And to the extent that a second home, after they've gotten \$500,000 tax free, the extent to which they occupy a second home for an additional period of time, they can claim the proportion that it is actually their principal residence. I would dare say that was the intent for the majority people of why that provision was implemented in the first place. It's reasonable, it's sound, and I would strongly suggest that that's why people in this industry, Realtors, mortgage bankers, homebuilders, support the bill that we brought forward.

I suggest that this bill is something that all of us ought to support. I strongly urge its passage.

Mr. BACA. Mr. Speaker, I rise in support of H.R. 3648, the Mortgage Forgiveness Debt Relief Act of 2007.

Among large metro areas my district in the Inland Empire has the fourth highest rate of foreclosure filings in the Nation and was the hardest hit area in California through the first half of 2007.

In San Bernardino County alone there were 19,185 foreclosure filings during the first half of 2007, representing a staggering 345 percent increase from the previous year. Overall, there is one foreclosure filing for every 33 households in the Inland Empire.

These numbers go to show that the subprime crisis we are experiencing today is not an abstract issue. These are real people who are going through painful struggles to stay in their home and keep their families together.

Regrettably, when banks and loan servicers decide to help these families by forgiving a part of a loan, that debt is then treated as a source of income which in turn makes the forgiven amount subject to tax.

Families who are already facing foreclosure should not have to face the additional burden of paying tax on phantom income.

This bill restores fairness for homeowners who are financially and economically distressed by eliminating that requirement. It will play a central role in helping American families avoid foreclosure and stay in their homes and I urge my colleagues to support it.

Mr. LANGEVIN. Mr. Speaker, I rise in strong support of the Mortgage Forgiveness Debt Relief Act of 2007 (H.R. 3648). This measure is a necessary and compassionate step in helping individuals and families recover from the problems caused by the continuing mortgage crisis.

Unscrupulous lending practices have taken their toll on hard-working families, who are increasingly unable to keep pace with their ballooning mortgage payments. We have all seen how the skyrocketing interest rates associated with nontraditional mortgages, such as adjustable-rate mortgages, have devastated families nationwide. These families are often left with few options. They may either try to renegotiate the terms of their mortgage for fixed interest rates, or be forced to foreclose on their homes. Both options can be emotionally difficult and are further complicated by the hefty taxes that may result.

Under current law, when a lender forgives all or part of a loan, it is required to report the amount of debt forgiven to the IRS and to the homeowner. That amount is subsequently

treated as "phantom income" and is subject to taxation by the IRS. At a time when families are already in financial dire straits, it is fundamentally unfair to penalize them by taxing the money they recover through either refinancing their mortgage or foreclosure of their homes.

I am proud to support the Mortgage Forgiveness Debt Relief Act, which will change the Tax Code to prevent forgiven mortgage debts from being assessed as gross income. This improvement will limit the financial penalties families incur when refinancing their homes at fixed rates and could even keep some families on the brink of foreclosure from losing their homes. I am also pleased that, under this legislation, people would not be unfairly taxed when a lender voluntarily agrees to waive prepayment penalty fees.

The Mortgage Forgiveness Debt Relief Act is a critical measure that will help address the persistent problems in the housing market resulting from unfair lending practices. This legislation is another important step toward fixing the mortgage crisis nationwide, and will help stabilize families throughout the Nation and our economy as a whole.

Ms. LORETTA SANCHEZ. Mr. Speaker, the situation in the housing market is well documented.

Unscrupulous practices by mortgage brokers in search of fees and the unrealistic belief that housing prices would continue their meteoric rise is resulting in the most perilous situation for the housing sector, and the economy as a whole since the Great Depression.

The most urgent action for this Congress is to encourage actions that enable families to stay in their homes.

Today we will consider H.R. 3648, the Mortgage Forgiveness Debt Relief Act. This bill takes the crucial step to restore fundamental fairness for homeowners in financial distress by revising language in the tax code that includes discharged home mortgage debt as taxable income.

Homeownership, especially among minorities, is at an all time high. It has contributed greatly to our economy and our social fabric. Foreclosed, empty homes only impose costs that everyone must bear.

Now is the time to make sensible reforms to protect families and consumers who are on the verge of losing their home.

I commend the Committee on Ways and Means and the House Leadership for bringing this important bill to the floor.

Mr. UDALL of Colorado. Mr. Speaker I am a cosponsor of this important legislation and rise to support its passage

As we all know, the real estate market is troubled. In Colorado and across the country, some families are caught in a bind—as prices have declined, they are finding that the value of their homes are less than what they owe on their mortgages.

And many of these people are experiencing financial problems—including increased payments required as the interest rates on their mortgages are adjusted—that can lead to foreclosure or require them to work out other arrangements with lenders.

That is bad enough—but as things stand now, in many cases they find that there is more bad news, because today homeowners are taxed on debt that they are no longer required to pay, either because a mortgage has been foreclosed or restructured.



That is because the tax code today treats the value of cancelled mortgage debt as taxable income.

This bill will provide relief to people in this situation. It will change the tax laws so as to permanently exclude debt forgiven under these circumstances from tax liability.

It also will help make home purchases more affordable by a long-term extension of the tax deduction for private mortgage insurance. Current law allows certain premiums paid or accrued for qualified mortgage insurance by a taxpayer in connection with financing of the taxpayer's residence to be treated as interest—that is, to be deductible. However, this is now scheduled to terminate for any amount paid or accrued after December 31, 2014.

This bill will extend the deduction through December 31, 2014.

Mr. Speaker, this is a good measure. I strongly support it and urge its approval.

Mrs. MALONEY of New York. Mr. Speaker, I rise in support of H.R. 3648, the Mortgage Forgiveness Debt Relief Act.

This bill will end the double-whammy of paying taxes on the lost value of their homes by providing a permanent exclusion from gross income of discharged home mortgage debt.

We are passing this legislation at a time when anxiety over the state of the economy remains high and concerns mount that the subprime mortgage meltdown will infect the rest of the economy.

Last month, RealtyTrac released the latest bad news that foreclosures reported in August increased 36 percent since July and 115 percent since this time last year.

Expectations are that the next 18 months will be even worse, as many subprime loans reset to higher rates. We have real concerns that this subprime crisis will cause 2.2 million people to lose their homes.

The credit crunch, the worsening housing slump, market volatility, and weak consumer confidence point to a gathering storm that could drag down the economy, possibly taking thousands of American jobs with it.

In the face of this gathering storm, Democrats in Congress are working to help families stay in their home and are working to prevent another crisis. The House has passed FHA and GSE reform bills. We are working on a predatory lending bill.

We are working with regulators to advocate forbearance and with servicers to engage in workouts for strapped borrowers.

We recognize this crisis in homeownership and we are doing everything we can to respond in a forceful and responsible way.

Again, I support this legislation.

Mr. BLUMENAUER. Mr. Speaker, it is estimated that, before this housing slump is over, 2 million homeowners will lose their homes due to skyrocketing interest rates on their mortgages.

Increased foreclosures have adverse effects on the values of neighboring properties. For example, research indicates that, for each foreclosed home in a given neighborhood, the prices of nearby homes could fall by 1 percent to 1.5 percent.

Nationally, housing prices have stopped rising. In fact, some measures of home prices have already declined, by more than 3 percent since the beginning of 2007. Some economists predict that real housing prices are likely to decline by more than 15 percent over the next 2 years.

We want to prevent thousands of Americans from getting hit by the double whammy of (1) losing their homes to foreclosure, and (2) getting slapped with a tax bill when the debt on their home is discharged by the lender.

Even taxpayers that restructure their mortgages to avert foreclosure face this risk of triggering large tax bills.

It doesn't seem right for individuals in this circumstance to face a tax bill when they really have no increase in their net worth.

As I see it, their house went down in value, and the individuals couldn't meet their mortgage requirements, resulting in foreclosure. The amount of the income that they would recognize without regard to this bill would be equal to or less than the decline in value of their home. So, absent this legislation, homeowners in this situation would be slapped with a tax liability for no net increase in wealth.

H.R. 3648 would correct that result so that if a person's principal residence lost value, that loss won't give rise to a tax liability.

Mr. BISHOP of New York. Mr. Speaker, I rise in strong support of H.R. 3648, the Mortgage Forgiveness Debt Relief Act. I am proud to be a cosponsor of similar legislation that also gives a much-deserved break to homeowners and their families facing enormous tax liability made more painful by the housing crisis.

Nearly 3,000 homeowners in Suffolk County, New York in my district are facing foreclosure. One out of every 180 families in my district will join 2.2 million families nationwide whose subprime loans have already failed or will end in foreclosure.

Adding insult to injury, most of them have to pay a tax when a lender forgives some part of their mortgage. The IRS treats that forgiven debt as income, and can even add interest and penalties.

To be relieved of debt at one moment, but then to be charged shortly thereafter with a huge tax bill is a tremendous shock and burden. We can all agree that middle class families who lose their homes should be spared any further penalty by the IRS.

Mr. Speaker, losing your home is bad enough. The last thing any family in today's housing market needs is for the IRS to make their struggle more of an uphill climb. I urge my colleagues to support H.R. 3648 and commend the leadership for expediting its consideration by the House today.

Mrs. CHRISTENSEN. Mr. Speaker, I rise in support of H.R. 3648, the Mortgage Forgiveness Debt Relief Act of 2007 because I believe that it is the least that the Congress can do to aid beleaguered homeowners, who in addition to facing foreclosure, are also facing taxation on phantom income.

It was not a long time ago that the housing market was being touted as the savior of the economy and that homeownership was looked to as a reliable, stabilizing force in communities across the country. Now that the pendulum has swung in the other direction, and the housing market is wobbling under the weight of the subprime crisis, it is incumbent upon the Congress to assist beleaguered homeowners.

H.R. 3648 would amend current law which would now tax a homeowner who received relief from financial institutions on their mortgages in order to save their homes. H.R. 3648 would provide a permanent exclusion for any discharge of indebtedness which is secured by

a principal residence through acquisition, construction or substantial improvement of the principal residence.

Mr. Speaker, this bill also extends the deduction for private mortgage insurance for 7 years through 2014 and would relax the rules, making it easier for housing groups to qualify as a cooperative housing corporation. It would also modify the exclusion of gain on sale of a principal residence, all items that would make it easier for homeowners to survive the murky waters of the current housing market. As the housing crisis continues to run its course, I believe that this legislation is a step in the right direction. I believe that more has to be done in order to keep homeowners in their homes and help stabilize the part of our economy that has been the surest route to wealth in our country. I urge all of my colleagues to vote for its passage.

Mr. POMEROY. Mr. Speaker, 75 million American households own their home. About 68 percent of these homeowners have a mortgage, and about 26 percent of those also carry a second mortgage, a home equity line, or both. In total, Americans have about \$10.4 trillion of mortgage debt outstanding.

The large majority of families are paying their mortgage payments on time, but many families are having a difficult time meeting their monthly mortgage payments as the interest rates on their loans are being reset to higher levels. Missed payments can mean high added fees also apply.

In this last year, more families have found that they just can not keep up and end up losing their home in foreclosure. Both foreclosures and their precursor, delinquencies, shot upward. By August 2007, foreclosures were up 115 percent from last year, and up 36 percent from July. Since economic research shows that a single foreclosure within a city block lowers the value of homes in the area by 0.9 percent, many lenders want to help families stay in their homes. These families work out a new loan with their lender revising the home loans by forgiving some of the debt caused by the decline in housing prices.

The last thing these families need is a tax bill for the "phantom income" arising from the loss in the value of their home or the amount of debt forgiveness. Today, Congress rips up that tax bill for struggling families as we pass the Mortgage Forgiveness Debt Relief Act of 2007. This bill provides relief to those families by permanently excluding debt forgiven under these circumstances from tax liability.

Housing is an important job creator in our economy. We still need to keep home ownership a reachable part of the American Dream. With recent reports in the Wall Street Journal showing that demand for previously owned homes tumbled in August to the lowest level in 5 years, we know that the trouble in the mortgage market hurts sales. Home resales fell to a 5.5 million annual rate, a 4.3 percent decline from July, according to the National Association of Realtors. Help for new home buyers is in H.R. 3648.

Solid Midwest values helped keep folks in my state North Dakota out of the subprime mortgage fallout, by and large. Yet, we all know that it is hard for young families to scrape together the money to make a significant down payment on their first home. Many of them are not able to purchase their home with a 20 percent down payment. Mortgage insurance protects these buyers that the market

needs, while insuring against the loss in home value in the event of default.

H.R. 3648 would help our kids and other would-be homeowners secure their first homes through a long-term extension of the tax deduction for private mortgage insurance. Mortgage insurance keeps new homeowners from taking out second and riskier loans to buy their first home. Extending this tax deduction until 2015 treats mortgage insurance as a cost of homeownership in the same way as mortgage interest.

The bottom line is that foreclosures do not help the taxpayers. It does not help the economy and it does not help our communities. H.R. 3648 is another step that this Congress is taking to restore strength to the Nation's floundering housing market. Providing help to keep families in their homes and to improve the ability of young families to buy their first home from those houses on the market would help ease the crisis we face.

Mr. KAGEN. Mr. Speaker, my constituents in Northeast Wisconsin and countless others across this Nation are hurting because of the current mortgage crisis.

The fact is many homeowners are increasingly unable to make monthly payments or sell their homes in the middle of a national housing slump.

The number of national foreclosure filings reported last month more than doubled from a year ago.

For these reasons, I rise in support of H.R. 3648.

We need to provide tax relief to homeowners who face foreclosures on their homes.

Mr. BLUMENAUER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WEINER). All time for debate has expired.

Pursuant to House Resolution 703, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. CANTOR

Mr. CANTOR. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. CANTOR. Yes, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Cantor of Virginia moves to recommit the bill H.R. 3648 to the Committee on Ways and Means with instructions to report the same back to the House promptly with the following amendment:

Strike sections 5 and 6.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia is recognized for 5 minutes.

Mr. CANTOR. Mr. Speaker, this motion to recommit is very simple. It strikes the tax hike from the bill. A vote for this motion to recommit gives us all an opportunity to vote for the underlying bill whose purpose is to provide relief to homeowners impacted by the subprime crisis without raising

taxes on America's families. I, for one, don't believe we should raise taxes on one family to cut taxes for another.

Contrary to the remarks made by my friend from Oregon who alleges that some are gaming the system, which could or could not be true, there is an instance, and plenty of which occur, that will impact real families. If we don't pass this motion to recommit, there will be a real cost to real people and real families who are relying on the equity built up in their greatest asset, their home.

Take, for example, a family that moves to a new area in search of a job. If that family currently lives in an area with a depressed housing market and the family intends to return in the future, they may make the reasonable decision to rent their home instead of selling it. They would do so in hopes of recovering some of the home's value in the next few years.

Under existing law, if they later move back to their home and, having lived at least 2 years in the home for the last 5, any gains realized from the eventual sale of the home would be excluded from the tax up to \$500,000. The underlying bill, however, will change that. Families that move back into their old house after several years and then intend to sell it could be facing tens of thousands of dollars in additional tax bills when they later sell that home. This is nothing more than a tax increase on those American families, an additional burden on families that are trying to put their children through school, provide health care and live the American Dream.

This provision adds another level of complexity to an already complicated Tax Code. Bottom line, Mr. Speaker, the net effect is to take away from some American families a tax benefit that they are currently enjoying.

We, in this House, should be making it easier for the American people to comply with the Tax Code, and we should strive to make it easier for them to provide for their families.

Now, Mr. Speaker, the opponents of this motion will argue that because the motion directs the committee to report back promptly that somehow this kills the bill; that simply is not true. Instead, it directs the committee to reconsider the bill.

Now, Mr. Speaker, the Senate is in recess next week and the House schedule is extremely light. If this motion passes, we will have plenty of time next week to improve the bill. And I, for one, pledge to work with the chairman, as I'm sure our leadership will and our ranking member, so that we can have a good bill waiting for the Senate when they return from their week-long recess.

So, Mr. Speaker, the underlying bill has a tax increase in it. I urge support of this motion to recommit.

Mr. Speaker, I yield back the balance of my time.

Mr. BLUMENAUER. Mr. Speaker, I rise to oppose the motion to recommit.

The SPEAKER pro tempore. The gentleman from Oregon is recognized for 5 minutes.

Mr. BLUMENAUER. First of all, as the gentleman mentions, using the term "promptly" means that it is kicked back to the committee to an uncertain future.

This has been before the committee for some time. There is broad bipartisan support that we need to solve this problem. And I have listened to my friends, they haven't come forward with any reasonable suggestion about an alternative pay-for. They had an opportunity in the Rules Committee; they had an opportunity before the committee. If we follow their course, we're going to be in limbo, I don't know how long, but unnecessarily.

The minority has been interested in the past in making it temporary. That was the Bush administration's position; that's what Republicans argued before the Rules Committee. We don't want to put it back to an uncertain future.

The one proposal that has come forward today for a pay-for was itself a long-term revenue loser. Using a Roth-style approach to government employee accounts, I think they're 457s, is a long-term revenue drain which uses an accounting gimmick in the short term to have people pay a little tax so they save a whole lot of tax in the future. That will add to the deficit over time.

Now, contrary to what my distinguished friend from Virginia says, it does not disadvantage people. The exclusion for residential property for a prime residence was just that, it was to give people a \$500,000 exclusion from capital gain on the sale of the property. It doesn't foreclose other people from stringing it forward to get more than \$500,000. It just means the extent to which it's not your primary residence, you don't get a percentage increase above that. If it's your primary residence for one-third of that time, you get one-third of the benefit, in addition to \$500,000 that you get with your first bite of the apple. It means you don't get two it means you don't get three in 6 years; you get one full bite, and then you get a percentage on top of that. It's reasonable; it's fiscally responsible.

I strongly urge the rejection of this proposal that puts this legislation in limbo. There is broad bipartisan support for the concept. The permanent support of a permanent nature of it is sound, the pay-for is reasonable. I urge rejection of the motion to recommit.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. CANTOR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—yeas 201, nays 212, answered “present” 1, not voting 18, as follows:

## [Roll No. 947]

## YEAS—201

Aderholt	Franks (AZ)	Moran (KS)
Akin	Frelinghuysen	Murphy, Tim
Alexander	Galleghy	Musgrave
Altmire	Garrett (NJ)	Myrick
Bachmann	Gerlach	Neugebauer
Bachus	Gilchrest	Nunes
Baker	Gingrey	Paul
Barrow	Gohmert	Pearce
Bartlett (MD)	Goode	Pence
Barton (TX)	Goodlatte	Peterson (PA)
Bean	Granger	Petri
Biggert	Graves	Pitts
Bilbray	Hall (TX)	Platts
Bilirakis	Hastert	Poe
Bishop (UT)	Hastings (WA)	Porter
Blackburn	Hayes	Price (GA)
Blunt	Heller	Putnam
Boehner	Hensarling	Radanovich
Bonner	Herger	Ramstad
Bono	Hobson	Regula
Boozman	Hoekstra	Rehberg
Boustany	Hulshof	Reichert
Brady (TX)	Hunter	Renzi
Broun (GA)	Inglis (SC)	Reynolds
Brown (SC)	Issa	Rogers (AL)
Brown-Waite,	Johnson (IL)	Rogers (KY)
Ginny	Johnson, Sam	Rogers (MI)
Buchanan	Jones (NC)	Rohrabacher
Burgess	Jordan	Ros-Lehtinen
Burton (IN)	Keller	Roskam
Buyer	King (IA)	Royce
Calvert	King (NY)	Ryan (WI)
Camp (MI)	Kingston	Sali
Campbell (CA)	Kirk	Saxton
Cannon	Kline (MN)	Schmidt
Cantor	Knollenberg	Sensenbrenner
Capito	Kuhl (NY)	Sessions
Carter	LaHood	Shadegg
Castle	Lamborn	Shays
Chabot	Lampson	Shimkus
Coble	Latham	Shuler
Cole (OK)	LaTourette	Shuster
Conaway	Lewis (CA)	Simpson
Crenshaw	Lewis (KY)	Smith (NE)
Culberson	Linder	Smith (NJ)
Davis (KY)	LoBiondo	Smith (TX)
Davis, David	Lucas	Souder
Davis, Tom	Lungren, Daniel	Stearns
Deal (GA)	E.	Tancredo
Dent	Mack	Terry
Diaz-Balart, L.	Manzullo	Thornberry
Diaz-Balart, M.	Marchant	Tiahrt
Doolittle	Marshall	Tiberi
Drake	McCarthy (CA)	Turner
Dreier	McCaul (TX)	Upton
Duncan	McCotter	Walberg
Ehlers	McCrery	Walden (OR)
Emerson	McHenry	Walsh (NY)
English (PA)	McHugh	Wamp
Everett	McKeon	Weldon (FL)
Fallin	McMorris	Westmoreland
Feeney	Rodgers	Whitfield
Ferguson	McNerney	Wicker
Flake	Mica	Wilson (NM)
Forbes	Miller (FL)	Wilson (SC)
Fortenberry	Miller (MI)	Wolf
Fossella	Miller, Gary	Young (AK)
Fox	Mitchell	Young (FL)

## NAYS—212

Abercrombie	Berman	Brady (PA)
Ackerman	Berry	Braley (IA)
Allen	Bishop (GA)	Brown, Corrine
Andrews	Bishop (NY)	Butterfield
Arcuri	Blumenauer	Capps
Baca	Boren	Cardoza
Baird	Boswell	Carnahan
Baldwin	Boucher	Carney
Becerra	Boyd (FL)	Castor
Berkley	Boyda (KS)	Chandler

Clarke	Jackson-Lee	Rahall
Clay	(TX)	Rangel
Cleaver	Jefferson	Reyes
Clyburn	Johnson (GA)	Richardson
Cohen	Jones (OH)	Rodriguez
Conyers	Kagen	Ross
Cooper	Kanjorski	Rothman
Costa	Kaptur	Roybal-Allard
Courtney	Kennedy	Ruppersberger
Cramer	Kildee	Rush
Crowley	Kilpatrick	Ryan (OH)
Cuellar	Kind	Salazar
Cummings	Klein (FL)	Sánchez, Linda
Davis (AL)	Kucinich	T.
Davis (CA)	Langevin	Sanchez, Loretta
Davis (IL)	Lantos	Sarbanes
Davis, Lincoln	Larsen (WA)	Schiff
DeFazio	Larson (CT)	Schwartz
DeGette	Levin	Scott (GA)
DeLauro	Lewis (GA)	Scott (VA)
Dicks	Lipinski	Serrano
Doggett	Loeb sack	Sestak
Donnelly	Lofgren, Zoe	Shea-Porter
Doyle	Lowe	Sherman
Edwards	Lynch	Solis
Ellison	Mahoney (FL)	Sires
Ellsworth	Maloney (NY)	Skelton
Emanuel	Markey	Slaughter
Engel	Matheson	Smith (WA)
Eshoo	Matsui	Snyder
Etheridge	McCarthy (NY)	Solis
Farr	McCollum (MN)	Space
Fattah	McDermott	Spratt
Finer	McGovern	Stark
Frank (MA)	McIntyre	Stupak
Giffords	Meek (FL)	Sutton
Gillibrand	Meeks (NY)	Tanner
Gonzalez	Melancon	Tauscher
Gordon	Michaud	Taylor
Green, Al	Miller (NC)	Thompson (CA)
Green, Gene	Miller, George	Thompson (MS)
Grijalva	Mollohan	Tierney
Gutierrez	Moore (KS)	Towns
Hall (NY)	Moore (WI)	Udall (CO)
Hare	Moran (VA)	Udall (NM)
Harman	Murphy (CT)	Van Hollen
Hastings (FL)	Murphy, Patrick	Velázquez
Hereth Sandlin	Murtha	Walz (MN)
Higgins	Nadler	Wasserman
Hill	Napolitano	Schultz
Hinchey	Neal (MA)	Waters
Hinojosa	Oberstar	Watson
Hirono	Obey	Watt
Hodes	Olver	Waxman
Holden	Ortiz	Weiner
Holt	Pallone	Welch (VT)
Honda	Pascarell	Wexler
Hoolley	Pastor	Wilson (OH)
Hoyer	Payne	Woolsey
Inslee	Peterson (MN)	Wu
Israel	Pomeroy	Wynn
Jackson (IL)	Price (NC)	Yarmuth

## ANSWERED “PRESENT”—1

Capuano

## NOT VOTING—18

Barrett (SC)	Dingell	Pickering
Carson	Jindal	Pryce (OH)
Costello	Johnson, E. B.	Schakowsky
Cubin	Lee	Sullivan
Davis, Jo Ann	McNulty	Visclosky
Delahunt	Perlmutter	Weller

□ 1508

Ms. HERSETH SANDLIN and Ms. MCCOLLUM of Minnesota and Messrs. EDWARDS, SPRATT, JOHNSON of Georgia, NEAL of Massachusetts, RUSH and BUTTERFIELD changed their vote from “yea” to “nay.”

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

## PERSONAL EXPLANATION

Mr. WELLER. Mr. Speaker, on rollcall Nos. 946 and 947 on the motion to recommit H.R. 3648 and final passage of H.R. 3648, I was unable to vote due to a prior family commitment. Had I been present, I would have voted “yea” for both votes.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

## RECORDED VOTE

Mr. ETHERIDGE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 386, noes 27, not voting 19, as follows:

## [Roll No. 948]

## AYES—386

Abercrombie	Davis (IL)	Inglis (SC)
Ackerman	Davis (KY)	Inslee
Aderholt	Davis, David	Israel
Alexander	Davis, Lincoln	Jackson (IL)
Allen	Davis, Tom	Jackson-Lee
Altmire	DeFazio	(TX)
Andrews	DeGette	Jefferson
Arcuri	DeLauro	Johnson (GA)
Baca	Dent	Johnson (IL)
Bachus	Diaz-Balart, L.	Johnson, Sam
Baird	Diaz-Balart, M.	Jones (NC)
Baker	Dicks	Jones (OH)
Baldwin	Donnelly	Jordan
Barrow	Doolittle	Kagen
Bartlett (MD)	Doyle	Kanjorski
Barton (TX)	Drake	Kaptur
Bean	Dreier	Keller
Becerra	Edwards	Kennedy
Berkley	Ehlers	Kildee
Berman	Ellison	Kilpatrick
Berry	Ellsworth	Kind
Biggert	Emanuel	King (IA)
Bilbray	Emerson	King (NY)
Bilirakis	Engel	Kirk
Bishop (GA)	English (PA)	Klein (FL)
Bishop (NY)	Eshoo	Kline (MN)
Bishop (UT)	Etheridge	Knollenberg
Blackburn	Everett	Kucinich
Blumenauer	Fallin	Kuhl (NY)
Bonner	Farr	LaHood
Bono	Fattah	Lamborn
Boozman	Feeney	Lampson
Boren	Ferguson	Langevin
Boswell	Filner	Lantos
Boucher	Flake	Larsen (WA)
Boustany	Forbes	Larson (CT)
Boyd (FL)	Fortenberry	Latham
Boyda (KS)	Fossella	LaTourette
Brady (PA)	Frank (MA)	Levin
Braley (IA)	Frelinghuysen	Lewis (CA)
Brown (SC)	Galleghy	Lewis (GA)
Brown, Corrine	Garrett (NJ)	Lewis (KY)
Brown-Waite,	Gerlach	Lipinski
Ginny	Giffords	LoBiondo
Buchanan	Gilchrest	Loeb sack
Burgess	Gillibrand	Lofgren, Zoe
Burton (IN)	Gohmert	Lowe
Butterfield	Gonzalez	Lucas
Buyer	Goode	Lungren, Daniel
Calvert	Goodlatte	E.
Campbell (CA)	Gordon	Lynch
Cannon	Granger	Mahoney (FL)
Cantor	Graves	Maloney (NY)
Capito	Green, Al	Manzullo
Capps	Green, Gene	Markey
Capuano	Grijalva	Marshall
Cardoza	Gutierrez	Matheson
Carnahan	Hall (NY)	Matsui
Carney	Hall (TX)	McCarthy (CA)
Carter	Hare	McCarthy (NY)
Castle	Harman	McCaul (TX)
Castor	Hastert	McCollum (MN)
Chabot	Hastings (FL)	McCotter
Chandler	Hastings (WA)	McCrery
Clarke	Hayes	McDermott
Clay	Heller	McGovern
Cleaver	Hensarling	McHenry
Clyburn	Hereth Sandlin	McHugh
Coble	Higgins	McIntyre
Cohen	Hill	McKeon
Cole (OK)	Hinchey	McMorris
Conaway	Hinojosa	Rodgers
Conyers	Hirono	McNerney
Cooper	Hobson	Meek (FL)
Costa	Hodes	Meeks (NY)
Courtney	Hoekstra	Melancon
Cramer	Holden	Mica
Crenshaw	Holt	Michaud
Crowley	Honda	Miller (FL)
Cuellar	Hoolley	Miller (MI)
Cummings	Hoyer	Miller (NC)
Davis (AL)	Hulshof	Miller, Gary
Davis (CA)	Hunter	Miller, George

Mitchell	Rogers (AL)	Stark
Mollohan	Rogers (KY)	Stupak
Moore (KS)	Rogers (MI)	Sutton
Moore (WI)	Rohrabacher	Tanner
Moran (KS)	Ros-Lehtinen	Tauscher
Moran (VA)	Roskam	Taylor
Murphy (CT)	Ross	Terry
Murphy, Patrick	Rothman	Thompson (CA)
Murphy, Tim	Roybal-Allard	Thompson (MS)
Murtha	Royce	Thornberry
Musgrave	Ruppersberger	Tiahrt
Myrick	Rush	Tiberi
Nadler	Ryan (OH)	Tierney
Napolitano	Ryan (WI)	Towns
Neal (MA)	Salazar	Turner
Neugebauer	Sanchez, Linda	Udall (CO)
Nunes	T.	Udall (NM)
Oberstar	Sanchez, Loretta	Upton
Obey	Sarbanes	Van Hollen
Olver	Saxton	Velázquez
Ortiz	Schakowsky	Walberg
Pallone	Schiff	Walden (OR)
Pascarell	Schmidt	Walsh (NY)
Pastor	Schwartz	Walz (MN)
Payne	Scott (GA)	Wamp
Pearce	Scott (VA)	Wasserman
Peterson (MN)	Sensenbrenner	Schultz
Peterson (PA)	Serrano	Waters
Petri	Sestak	Watson
Pitts	Shadegg	Watt
Platts	Shays	Waxman
Poe	Shea-Porter	Weiner
Pomeroy	Sherman	Welch (VT)
Porter	Shimkus	Weldon (FL)
Price (NC)	Shuler	Wexler
Putnam	Shuster	Whitfield
Radanovich	Simpson	Wicker
Rahall	Sires	Wilson (NM)
Ramstad	Skelton	Wilson (OH)
Rangel	Slaughter	Wilson (SC)
Regula	Smith (NE)	Wolf
Rehberg	Smith (NJ)	Woolsey
Reichert	Smith (TX)	Wu
Renzi	Smith (WA)	Wynn
Reyes	Snyder	Yarmuth
Reynolds	Solis	Young (AK)
Richardson	Space	Young (FL)
Rodriguez	Spratt	

## NOES—27

Akin	Duncan	Marchant
Bachmann	Foxx	Paul
Blunt	Franks (AZ)	Price (GA)
Boehner	Gingrey	Sali
Brady (TX)	Herger	Sessions
Broun (GA)	Issa	Souder
Camp (MI)	Kingston	Stearns
Culberson	Linder	Tancredo
Deal (GA)	Mack	Westmoreland

## NOT VOTING—19

Barrett (SC)	Doggett	Pickering
Carson	Jindal	Pryce (OH)
Costello	Johnson, E. B.	Sullivan
Cubin	Lee	Visclosky
Davis, Jo Ann	McNulty	Weller
Delahunt	Pence	
Dingell	Perlmutter	

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1516

Mr. FERGUSON and Mr. INGLIS of South Carolina changed their vote from “no” to “aye.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. PENCE. Mr. Speaker, on rollcall No. 948, had I been present, I would have voted “aye.”

## PERSONAL EXPLANATION

Mr. PERLMUTTER. Mr. Speaker, due to a family emergency I missed the following votes on Thursday, October 4, 2007. I would have voted as follows:

Motion to recommit on H.R. 2740—“yea.”

Final Passage of H.R. 2740, MEJA Expansion and Enforcement Act of 2007—“aye.”

Democratic Motion on Ordering the Previous Question on the Rule for H.R. 3246—Regional Economic and Infrastructure Development Act of 2007 (H. Res. 704)—“yea.”

Rule to provide for consideration of H.R. 3246—Regional Economic and Infrastructure Development Act of 2007 (H. Res. 704)—“yea.”

Democratic Motion on Ordering the Previous Question on the Rule for H.R. 3648—Mortgage Forgiveness Debt Relief Act of 2007 (H. Res. 703)—“yea.”

Motion to Recommit H.R. 3246—“nay.”

Final Passage of H.R. 3246—Regional Economic and Infrastructure Development Act of 2007—“yea.”

Motion to Recommit H.R. 3648—“nay.”

Final Passage of H.R. 3648—Mortgage Forgiveness Debt Relief Act of 2007—“yea.”

REMOVAL OF NAME OF MEMBER  
AS COSPONSOR OF H. RES. 106

Mr. SHIMKUS. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H. Res. 106.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

## LEGISLATIVE PROGRAM

(Mr. BLUNT asked and was given permission to address the House for 1 minute.)

Mr. BLUNT. Mr. Speaker, I yield to my friend from Maryland, the majority leader, for the purpose of inquiring about the schedule for next week.

Mr. HOYER. I thank my friend for yielding.

It is Thursday, 3:15 p.m., and we have finished our business. A lot of people have talked to me about that, and I just thought I would note it.

On Monday next, the House will not be in session in observance of the Columbus Day holiday. On Tuesday, the House will meet at 12:30 p.m. for morning-hour business and 2 p.m. for legislative business, with votes rolled until 6:30 p.m. next Tuesday. We will consider several bills under suspension of the rules. A list of those bills will be announced by the close of business tomorrow.

On Wednesday and Thursday, the House will meet at 10 a.m. for legislative business. We expect to consider H.R. 2895, the National Affordable Housing Trust Fund Act; H.R. 2095, the Federal Railroad Safety Improvement Act; and H.R. 3056, Tax Collection Responsibility Act.

On Friday, there will be no votes in the House.

That is a change in the schedule so everybody will want to note that. That means we expect to have no votes on any Friday for the balance of the month.

Mr. BLUNT. I am sure that will be well received. While we are on that topic, I wonder if my good friend has

any sense of the anticipated November schedule, if we are working in November.

Mr. HOYER. If the gentleman will continue to yield, I thank my friend for asking that question.

The expectation for November is that we will be in until November 16. I don't mean straight through, but we will come in usually Monday nights and we will see about the Fridays because we don't know what the Senate is doing. Obviously we need to do the appropriations process and fund government. The CR runs through the 16th of November.

I want to tell all Members and the distinguished whip, my friend, that the Speaker and I would both like to conclude the business of the first session of this Congress by November 16. I don't want to represent that I think that is probable at this point in time, but that would be our desire and that is what over the next 5 weeks we are going to try to work towards.

We will not be in session either of the last 2 weeks of November, which would mean that Thanksgiving week, which is the week following the 16th, the week of the 19th, and the week following that, we would not be in session. Obviously, it would be my hope we would have concluded our business and would not, therefore, need to come back in December. I don't want to make that representation, however. The gentleman is well familiar with the fact it is too far out and the appropriations process is still not as sure as I would like it to be at this point in time. But the last 2 weeks of November we will not be here.

Mr. BLUNT. I thank the gentleman for that information. That is incredibly helpful, as is the notice on the Fridays this month. With that kind of notice, our Members have the kind of time they need and, I know, appreciate on both sides of the aisle to take advantage of that time. Like you, I hope we can find a way to be done by November 16, but I am very appreciative of knowing the schedule for the next two weeks in November if we aren't done.

In the process of getting done, I asked last week when you couldn't be on the floor, and I will just ask again, is there any anticipation with four Senate appropriation bills completed, and in fact the Senate having named conferees on those four bills, is there any anticipation we can go to conference on one or all of those bills in the near future?

I yield to the gentleman.

Mr. HOYER. I thank the gentleman for yielding.

Mr. OBEY and the leadership have met. It is our hope we will be able to go to conference on a number of these bills, and there has even been some discussion on some of the bills that have not yet passed. We passed all 12 of our bills, of course. It is our desire to go to conference on these. I can't say when exactly that will be, but I can tell you that I am in the process of discussing